REMARKS OF FCC CHAIRMAN AJIT PAI AT THE INTERNATIONAL INSTITUTE OF COMMUNICATIONS TELECOMMUNICATIONS AND MEDIA FORUM

DECEMBER 8, 2020

Good morning. It's always great to be with the IIC. I think this is my ninth time speaking at an IIC event. Only one more stamp and I get a free sandwich.

I actually spoke at this very same event at the end of my first year as Chairman. My love of nostalgia is not just limited to the 1980s, so I thought it would be interesting to see what I said to this audience during year one of my Chairmanship.

In a nutshell, I said that my primary goal as FCC Chairman was going to be extending digital opportunity to every American. I also stressed my commitment to unlocking the possibilities of next-generation wireless networks—what we all know as 5G. These themes are likely familiar to you, since I talked about them constantly during years 2, 3, and 4 of my Chairmanship, as well. To achieve these goals, I said the Commission was going to focus on reducing barriers to infrastructure deployment and repurposing spectrum for advanced wireless services.

While the agency's priorities have stayed consistent over the past four years, the list of all we've done in their pursuit has grown considerably.

Back in 2017, I emphasized the need to remove barriers to broadband buildout. That's because, in the United States, we rely on about \$80 billion a year in private investment to upgrade and expand our wired and wireless networks. When we reduce the regulatory burdens on broadband deployment, we lower the costs of buildout, which increases the incentive to invest.

Across the board, the FCC has been working hard to modernize its regulations and clear unnecessary roadblocks to network investment.

To promote the deployment of wired infrastructure like fiber, the FCC has made it easier and cheaper for broadband providers to access utility poles—a critical input into building a broadband network. To make it easier to install wireless infrastructure like small cells, we set a reasonable deadline for cities to rule on siting applications. We also set reasonable limits on siting fees—limits that still ensure localities can cover their costs. We've also made it easier for companies to transition away from yesterday's copper lines toward tomorrow's fiber networks. We recognize that every dollar that's spent propping up copper can't be spent installing fiber.

And yes, one week after my 2017 speech, the Commission voted to scrap rules developed in the 1930s to heavily regulate the Internet like a slow-moving utility.

To somebody who doesn't spend their time watching IIC webinars, this could all sound deathly boring. But the results certainly are not.

Millions more Americans have access to the Internet today than in 2016. In 2018 and then again in 2019, the United States set records for annual fiber deployment. The number of new cell sites in the United States has skyrocketed. During 2018 and 2019, we added more than 72,000 new wireless cell sites in the United States, 10 times more than the deployments from 2013 through 2016 combined. Average download speeds for fixed broadband have more than doubled since the end of 2017. The number of Americans enjoying more than two options for standard fixed terrestrial broadband service has increased by 52%. And, compared to 2015, today's average U.S. consumer is paying 28% less for broadband in real terms while enjoying faster speeds.

While removing barriers to broadband buildout is an essential step toward closing the digital divide, it's not the only one.

For those rural, high-cost, low-population areas where the economic incentives for stand-alone private investment just don't exist, the FCC has partnered with private companies in order to connect places where the economics won't work without our help. Our newest initiative—and biggest so far—to close the digital divide is our Rural Digital Opportunity Fund auction. The \$20.4 billion Rural Digital Opportunity Fund will connect millions of unserved homes and businesses in our hardest-to-serve communities through a two-phase reverse auction that encourages deployment of the best-performing networks for the lowest cost possible.

In fact, just yesterday we released the results of the successful Phase I auction. 180 different bidders won more than \$9.2 billion in support over the next ten years to deploy broadband networks to an estimated 10.1 million Americans who are currently on the wrong side of the digital divide. More than 98% of homes and businesses eligible for support in the auction received a winning bid. More than 85% of them will be getting gigabit-speed service, and nearly all of the rest will have access to broadband with at least 100 Mbps download speed. Moreover, the vigorous competition among the more than 300 bidders that competed in the auction drove down substantially the cost of serving those areas. Because of this competition, we didn't spend all of our \$16 billion budget for the Phase I auction, and the \$6.8 billion that we saved will be available for our Phase II auction, which will target funding to deploy broadband to Americans living in areas where some, but not all, homes have access. Indeed, our budget for the Phase II auction has gone up from \$4.4 billion to \$11.2 billion due to the results of the Phase I auction. If you go to the FCC's website, you can check out a list of people and places who will no longer be bypassed by the digital revolution.

The FCC is also going big to promote the deployment of next-generation wireless networks in rural America. In late October, we voted to establish a 5G Fund for Rural America. The new program will use a two-phase, multi-round reverse auction to distribute up to \$9 billion to bring 5G-capable networks to rural areas of our country that would be unlikely to see 5G service without federal support.

Again, promoting 5G deployment is one of the goals I identified in my 2017 remarks to the IIC. I also promised that we were going to move aggressively to free up spectrum for 5G and other wireless services, and that's exactly what we've done.

We've made available through three auctions more high-band spectrum for commercial use than previously was used for terrestrial mobile broadband by all wireless service providers in the United States combined.

We've finished repurposing low-band spectrum in the 600 MHz band for mobile broadband, which is now being used to provide 5G service coverage to more than 250 million Americans.

And we've made a lot of progress on mid-band spectrum, which is appealing for 5G because it combines good geographic coverage with good capacity.

This past August, the FCC successfully completed an auction of 70 megahertz of licensed spectrum in the 3.5 GHz band—our first-ever auction of mid-band spectrum for 5G. And we've completed the necessary technical work so that the band's entire 150 megahertz is now available for the private sector.

The Commission's biggest auction of mid-band spectrum for 5G is actually kicking off today. It involves the 280 megahertz of this spectrum from 3.7 to 3.98 GHz, commonly called the C-band. This past February, the FCC voted to clear the lower 300 megahertz of the C-band and make 280 of it available for 5G through a public auction (plus a 20-megahertz guard band).

The Commission adopted flexible new rules for the 2.5 GHz band. And we've approved a plan that has us on track to auction 100 megahertz of contiguous mid-band spectrum in the 3.45 GHz band next year.

Add all these efforts up, and we are on a path to have a contiguous 530-megahertz swath—from 3.45 to 3.98 GHz—of mid-band spectrum available for 5G.

And that's just on the licensed side of the ledger. We've also taken landmark steps to make available unlicensed spectrum for Wi-Fi.

Just last month, the Commission voted to permit unlicensed operations like Wi-Fi in the lower 45-megahertz portion of the 5.9 GHz band—spectrum which had been largely unused for the past two decades.

This past April, the Commission voted to make the entire 6 GHz band available for unlicensed use. By doing this, we created a massive 1,200 megahertz testbed for innovators and innovation. This is a big deal. We've effectively increased the amount of mid-band spectrum available for Wi-Fi by almost a factor of five. And just yesterday, our Office of Engineering and Technology authorized the first 6 GHz band Wi-Fi device for use in the United States. So the band's promise is beginning to become a reality.

I've spoken today about what we've been doing in the U.S. to free up spectrum for new wireless services. The reality is that these efforts to make more spectrum available for 5G will have an even greater impact if we can create more opportunities for harmonization. This group has been particularly helpful in bringing people together to build international consensus around opportunities for spectrum harmonization in advance of meetings like WRC-19.

So, when it comes to outlining a strategy for what the next few years will look like and executing on that strategy, I'm relieved to say that my 2017 remarks hold up pretty well. I want to thank the IIC for being a partner during this journey. I joked early on that I've attended so many IIC events because it's hard to keep count. But I keep coming back because the challenges we face are global challenges. And IIC has been a leader in bringing regulators and industry from around the world together to focus on key ICT topics. It's one of the precious few fora where one can listen thoughtfully and learn deeply.

As you may know, I will be leaving the FCC on January 20, 2021. It has been a privilege to get to know you as colleagues and count you as friends. As I exit the stage, I'm reassured knowing that the IIC will continue to work with the FCC and others around the globe to promote digital opportunity for all. Thank you again and Godspeed.